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State of Connecticut

SENATOR DONALD E. WILLIAMS, JR.
Twenty-ninth District
President Pro Tempore

Testimony
of
Senator Donald E. Williams, Jr.
Concerning
SB 990, AAC Expanding the HUSKY Formulary
SB 992, AAC Lowering Pharmaceutical Costs
SB 988, AAC Medicaid Funding for SAGA and Charter Oak
SB 1045, AAC Responsibility for Hospital "Never" Events
SB 1046, AAC Restricted Access to Prescription Drug Information
SB 1047, AAC Self-referral for Imaging Services
SB 1048, AAC Bulk Purchasing of Prescription Drugs
SB 1049, AA Prohibiting Certain Gifts from Pharmaceutical and Medical Device Companies to Health Care Providers
SB 1050, AAC the Establishment of an Academic Detailing Program

Public Health Committee
Human Services Committee
Insurance and Real Estate Committee
March 2, 2009

Senator Harris, Senator Doyle, Senator Crisco, Representative Ritter, Representative Walker, Representative Fontana, and Members of the Committees:

I would like to thank all of you for the time and energy that you have given in recent days and weeks to studying how healthcare is delivered in our state and in considering proposals to create a true system of care that will provide affordable, high quality healthcare for all our residents.

I am also heartened to see the attention given to healthcare given by the Obama administration. One state alone cannot resolve the many issues facing the country's healthcare system. With the federal government taking the lead, however, I am confident that we can achieve our goal of universal access to high quality, cost-effective care.

You will hear testimony today on a number of proposals to expand access to healthcare, and I know that there are groups in the state that are interested in tackling this issue like never before. I look forward to working with them to come up with a solution that is right for Connecticut.

Connecticut must also take steps to address the ever-rising costs of healthcare. Unless we bring costs under control, we ultimately will be unable to afford a universal healthcare program. In his address to Congress this past Tuesday, President Obama addressed this issue head on:

> *...we must also address the crushing cost of health care.*
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> *This is a cost that now causes a bankruptcy in America every thirty seconds. By the end of the year, it could cause 1.5 million Americans to lose their homes. In the last eight years, premiums have grown four times faster than wages. And in each of these years, one million more Americans have lost their health insurance. It is one of the major reasons why small businesses close their doors and corporations ship jobs overseas. And it's one of the largest and fastest-growing parts of our budget.*
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> *I suffer no illusions that this will be an easy process. It will be hard. But I also know that nearly a century after Teddy Roosevelt first called for reform, the cost of our health care has weighed down our economy and the conscience of our nation long enough. So let there be no doubt: health care reform cannot wait, it must not wait, and it will not wait another year.*

The bills being considered here today represent the first steps in the area of cost-containment. They are more than simply cost-containment proposals, however—they

also seek to ensure that Connecticut residents are getting high-quality, appropriate care. The public health mission of the state does not stop just by ensuring individuals are able to access care. It also includes making sure that individuals are getting the right care at the right price. Lowering costs while improving quality are worthy but difficult goals. These bills, though, work towards both goals simultaneously.

The pharmaceutical industry brings great benefits to our health care system and to our economy. As in other industries, though, we have seen what can occur when the industry is unchecked. Proposals before you today would reduce undue influence of the pharmaceutical industry that can distort prescribing practices. These include banning gifts to providers, requiring the disclosure of payments to providers and preventing the sale of reports on what medications individual doctors prescribe. Massachusetts, Vermont, New Hampshire, Maine and Minnesota are examples of states that have taken some of these steps. Pharmaceutical companies could continue important functions such as educating providers about new medications and funding conferences in the state. However, they would no longer be able to use gifts and financial benefits as a way of selling their products. The bills would help ensure that the decisions providers make regarding what medications to prescribe are based on research, results and necessity, and not undue industry influence.

Another bill would improve the quality of prescribing in Connecticut by establishing an academic detailing program. These programs, which have been started in many other New England states, use in-person visits by a pharmacist or other trained healthcare provider to doctor's offices, clinics or other locations. The goal of these visits is to help providers understand current medical guidelines and to adjust their prescribing patterns accordingly. New York, South Carolina, Massachusetts and other states have adopted similar programs. This helps deliver better healthcare—with informed decisions based on the best and most recent information—for less.

Other bills here would help lower the costs of prescription medications purchased by the state of Connecticut by building upon the Department of Social Services' successful

carve-out of pharmacy services. By using strategies such as expanding this carve-out to include more classes of medications, joining interstate pharmaceutical purchasing pools, and buying medications in bulk for all state programs, Connecticut could save additional dollars without sacrificing quality.

Another bill would promote quality by preventing hospitals and other facilities for billing for the costs associated with any "never events." These events, originally complied by the National Quality Forum, include operating on the wrong person, operating on the wrong body part and discharging an infant to the wrong person. Simply put, these mistakes should never happen, and we should not have to pay for them when they do. Numerous states, including Maine, have taken this step. Last week, we passed legislation ending Medicaid payment for these events. We need to go further, though, and say that that no one will pay for these events.

Another bill would help to ensure that when providers order advanced imaging studies—such as CT scans or MRIs—they are not motivated by any financial gain. A similar bill was recently passed in California. This will help lower costs while making sure that Connecticut residents get the right care.

These bills are a step in the right direction, but more must be done to improve healthcare quality, reduce costs and ultimately improve access. There are two other areas that have high yield—improving the use of health information technology and reforming the payment system.

President Obama's stimulus package has significant incentives to encourage more providers to adopt electronic medical records. Connecticut must have a fully-integrated health information exchange, so that information can flow from one provider to another seamlessly. Building such a system will ultimately benefit everyone by reducing the duplication of tests, reducing costs, and improving communication and the quality of care. A secure and accurate database, available to qualified healthcare professionals, will help ensure that tragic mistakes in diagnosis and treatment do not occur, and that quality

care is based on the best available medical information and history. We manage our banking and finances online, send photos and data to our friends and relatives around the world online, and make purchases large and small online. The technology has *changed* our lives, but incredibly, we are not using it to full advantage to help *save* our lives. This must change here in Connecticut and throughout our country.

Finally, I believe that we must change the fee-for-service payment system that we have traditionally used to pay for medical care. This outdated piecework system is the foundation of endless waste and inefficiency in healthcare. It pays providers for more visits, tests, and emergency interventions, but provides no rewards or incentives for keeping patients healthy and out of the hospital. While health insurers and others have begun to take baby steps toward a system that rewards providers for delivering high-quality care, we must move in this direction with greater urgency. Controlling costs is essential to expanding access to care, and ending the fee-for-service system is critical to both of those goals.

Thank you very much.